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## Algeria

### Dairy and Products

### Annual

### 2004

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**Report Highlights:**

Opening of new processing plants led to the increase of imports and consumption. Although imports continue to be important, very little is sourced from the United States, due to high U.S. prices and lack of interest on the part of U.S. suppliers.

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Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Algiers [AG1]  
[AG]

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## Executive Summary

### Production

For recalling, the estimated need for milk in Algeria is about 3 million MT. Domestic production of fresh milk average only 1.6 million MT each year and only 107,000 MT of fresh milk are collected because of the lack of coordination and low incentive prices offered by the GOA and the dairy state-owned group Giplait. Farmers, generally sell their fresh milk directly to consumers because they receive higher prices. Most of the collected milk goes generally to the production of cheese, "Camembert" or "Brie".

Reconstituted milk had always provided a major source of milk used in Algeria, (47 percent). About 14 percent comes from ready for consumption milk powder and 33 percent comes from domestic industrial production (721,000 MT in 2003). Reconstituted milk is produced by blending imported non-fat dry milk with anhydrous milk fat. Sometimes whole milk powder is blended as well. Giplait, was dominating the production of pasteurized fluid milk (35 percent of Algerian fluid milk). Currently, since the beginning of the privatization process and disappearance of monopolies in 1996, local private investments have risen sharply, with the result that the private sector has taken a substantial share of the market, many dairy plants started already operations in different regions of the country (about 120 creameries) while others are still opening. Private dairy plants started producing reconstituted milk in addition to processed dairy products

The private sector had always dominated the production of processed dairy products (yogurt, cheese, butter, sour milk, and dairy desserts). Because of the low price fixed by the government for pasteurized fluid milk, the private sector would rather produce these more profitable products. The consumer price is still fixed by the Ministry of Commerce to 25 AD (\$0.31) per liter (last revision in February 2001).

On its side, When the Ministry of Agriculture has embarked upon the new agriculture development program (PNDA) in 2000, the main objective was to increase and improve agricultural productions. To increase dairy production; - the GOA reopened the imports of heifers from Europe after a ban of three years because of the BSE disease, but under tight control, -and put incentives to build 200 creameries of 5000 liter per day capacity.

One creamery encouraged by PNDA is operational since February 2003 in the South Western region. This plant will supply the region with 5000 liters / day.

### Production Subcategory

**Table 1: Chronology of Retail Prices of Milk in Algerian Dinars (AD):**

Years	Farm price of fresh milk (1 liter)	Fixed price for reconstituted milk (1 liter)	Whole milk powder (0.5 kg boxes)	Exchange Rate (AD in \$1)
1999	40	20	120	68
2000	40	20	120-140	78
2001	45	25	120-140	76
2002	45	25	140	80
2003	50	25	120-140	77

2004	50	25	148	72
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Source: Ministry of Commerce and Local Market

### Consumption

With the increasing number of dairy plants and the availability of various dairy products, consumption of dairy products has increased comparing to past years but should stabilize for the next coming years.

### Consumption Subcategory

Enter consumption subcategory text here

### Trade

With the inadequacy of domestic milk production, Algeria depends on imports of dairy products, which represent about 22 percent of total agricultural product imports. Since most of the new processors are operating now, imports of whole milk powder and non- fat dry milk increased because of the creameries use for reconstituted milk. In 2003, for the 15,327 MT of total butter and anhydrous milk fat imported, only 4,089 MT was butter, the rest, 11,238 MT was anhydrous milk fat destined to the production of reconstituted milk as well as 98 percent of the imported cheese was cheese for processing. Same situation happened in 2004. Imports of all dairy products increased comparing to the same period last year (see table below).

### Trade Subcategory

**Table 2: Comparison Table of Dairy Products Imports  
(January through June) for 2003 and 2004 in MT:**

	WMP		NFDM		BUTTER		CHEESE	
Countries of Imports	2004	2003	2004	2003	2004	2003	2004	2003
Germany	744	607	7,338	1,702	20	0	397	20
Spain	484	707	824	772	3803	0	599	492
Australia	757	613	305	0	100	476	2736	3,057
Argentina	18,287	9,127	5876	5,345	0	0	0	107
Belgium	12,420	6,667	10531	2,744	689	1,746	695	158
Canada	340	102	24	25	0	0	0	0
France	23,359	23,286	5258	8,223	1447	1,574	174	292
Great Britain	2,529	1,156	1040	160	0	336	1087	59
	2,944		520		1173		4084	

Ireland		1,627		828		105		709
New Zealand	11,973	9,377	3814	1,026	610	1,044	2125	1,811
Poland	740	555	6059	9,299	0	0	149	0
U.S.	0	48	18	558	0	0	0	0
Netherlands	700	277	15		1673		2450	
Indonesia	2065	660	0		0		0	
Uruguay	0	295	0		216		0	
Switzerland	693	892	214		50		58	
Czech	394	500	5425		0		0	
OTHERS	3772	1351	3071	3,958	96	2,236	279	2,084
<b>TOTAL</b>	<b>82,201</b>	<b>57,847</b>	<b>50,332</b>	<b>34,640</b>	<b>9,877</b>	<b>7,517</b>	<b>14,833</b>	<b>8,789</b>

Imports up to September 2004 reached about \$597.26 Million, while all dairy imports for 2003 reached \$455 million. Origin of imports are about the same for all dairy products, most of the whole milk powder is imported from France, Argentina, Belgium, and New Zealand. Non-fat dry milk is also imported from the same countries plus Poland, and Czech. Butter and Cheese are mostly imported from Spain, Netherlands, New Zealand, Ireland, Australia and France. Imports from U.S. decreased tremendously, although there is considerable interest in purchasing from the United States, but high U.S. prices and lack of response on the part of U.S. suppliers hamper imports of U.S. dairy products. According to Customs statistics, imports of dairy products from U.S. reached \$8 million in 2000, \$6 million in 2001, \$161,486 in 2002 and \$972,138 in 2003.

#### Stocks

##### Stocks Subcategory

#### Policy

As reported previously, the DAP (a temporary additional duty) is reduced 12 percent each year, with the goal of reaching 0 in 2006, and since July 2004 is now 24 percent.

#### Policy Subcategory

Enter policy subcategory text here

#### Marketing

##### Marketing Subcategory

# PSD Table

Country

Algeria  
Dairy,  
Dry  
Whole  
Milk

Commodity

Powder

(1000 MT)

	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA	Post	USDA	Post	USDA Official	Post Estimate	
	Official	Estimate	Official	Estimate	[Old]	[New]	
	[Old]	[New]	[Old]	[New]			
Market Year		01/2003		01/2004		01/2005	MM/YY
Begin							
Beginning Stocks	10	4	10	9	14		34 (1000 M
Production	0	0	0	0	0		0 (1000 M
Intra EC Imports	0	0	0	0	0		0 (1000 M
Total Imports	115	130	121	150	0		150 (1000 M
TOTAL Imports	115	130	121	150	0		150 (1000 M
TOTAL SUPPLY	125	134	131	159	14		184 (1000 M
Intra EC Exports	0	0	0	0	0		0 (1000 M
Total Exports	0	0	0	0	0		0 (1000 M
TOTAL Exports	0	0	0	0	0		0 (1000 M
Human Dom.							
Consumption	115	125	117	125	0		125 (1000 M
Other Use,							
Losses	0	0	0	0	0		0 (1000 M
Total Dom.							
Consumption	115	125	117	125	0		125 (1000 M
TOTAL Use	115	125	117	125	0		125 (1000 M
Ending Stocks	10	9	14	34	0		59 (1000 M
TOTAL							
DISTRIBUTION	125	134	131	159	0		184 (1000 M
Calendar Yr. Imp.							
from U.S.	0	0	0	0	0		0 (1000 M
Calendar Yr. Exp.							
to U.S.	0	0	0	0	0		0 (1000 M

# Import Trade Matrix

**Country** Algeria  
Dairy, Dry Whole  
**Commodity** Milk Powder

Time Period		Units:	MT
Imports for:	2003		2004
U.S.	48	U.S.	
Others		Others	
France	50625		
New Zealand	17150		
Belgium	16401		
Argentina	15662		
Ireland	6126		
Switzerland	3560		
Great Britain	3276		
Indonesia	3074		
Czech	2421		
Spain	1530		
Total for Others	119825		0
Others not Listed	10127		
Grand Total	130000		0

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Commodity	2003		2004		2005		UOM
	USDA Official [Old]	Revised Post Estimate [New]	USDA Official [Old]	Estimate Post Estimate [New]	USDA Official [Old]	Forecast Post Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Beginning Stocks	23	4	18	10	20		10 (1000 MT
Production	0	0	0	0	0		0 (1000 MT
Intra EC Imports	0	0	0	0	0		0 (1000 MT
Total Imports	100	81	114	100	0		100 (1000 MT
TOTAL Imports	100	81	114	100	0		100 (1000 MT
TOTAL SUPPLY	123	85	132	110	20		110 (1000 MT
Intra EC Exports	0	0	0	0	0		0 (1000 MT
Total Exports	0	0	0	0	0		0 (1000 MT
TOTAL Exports	0	0	0	0	0		0 (1000 MT
Human Dom. Consumption	105	75	112	100	0		100 (1000 MT
Other Use, Losses	0	0	0	0	0		0 (1000 MT
Total Dom. Consumption	105	75	112	100	0		100 (1000 MT
TOTAL Use	105	75	112	100	0		100 (1000 MT
Ending Stocks	18	10	20	10	0		10 (1000 MT
TOTAL DISTRIBUTION	123	85	132	110	0		110 (1000 MT
Calendar Yr. Imp. from U.S.	0	0	0	0	0		0 (1000 MT
Calendar Yr. Exp. to U.S.	0	0	0	0	0		0 (1000 MT



# Import Trade Matrix

**Country**     Algeria  
                  Dairy, Milk,  
**Commodity** Nonfat Dry

Time Period	January	Units:	MT
Imports for:	2003		2004
U.S.	558	U.S.	
Others		Others	
France	16321		
Argentina	9926		
Belgium	5480		
Ireland	2609		
New Zealand	2340		
Poland	29817		
Switzerland	2900		
Ukraine	3298		
Czech	2125		
Germany	2116		
Total for Others	76932		0
Others not Listed	3750		
Grand Total	81240		0

Commodity	Dairy, Cheese						UOM
	(1000 MT)						
	2003	Revised	2004	Estimate	2005	Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin	01/2003		01/2004		01/2005		MM/YYYY'
Beginning Stocks	1	1	1	1	1	1	1 (1000 MT)
Production	4	13	4	13	0	13	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Total Imports	21	21	21	21	0	21	(1000 MT)
TOTAL Imports	21	21	21	21	0	21	(1000 MT)
TOTAL SUPPLY	26	35	26	35	1	35	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Total Exports	0	0	0	0	0	0	(1000 MT)
TOTAL Exports	0	0	0	0	0	0	(1000 MT)
Human Dom. Consumption	25	34	25	34	0	34	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	25	34	25	34	0	34	(1000 MT)
TOTAL Use	25	34	25	34	0	34	(1000 MT)
Ending Stocks	1	1	1	1	0	1	(1000 MT)
TOTAL DISTRIBUTION	26	35	26	35	0	35	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

# Import Trade Matrix

**Country**     Algeria

**Commodity** Dairy, Cheese

Time Period  Units:

Imports for:

U.S.  U.S.

Others Others

France	600		
Ireland	5467		
Australia	4897		
Netherland	4039		
New Zealand	2047		
Great Britain	909		
Blegium	496		
Spain	492		
Switzerland	337		
Austria	120		

Total for Others 19404 0

Others not Listed

Grand Total 21000 0

## PSD Table

**Country**      **Algeria**  
**Commodity**   **Dairy,**  
**Butter**

	(1000 MT)						UOM
	2003	Revised Post Estimate [New]	2004 USDA Official [Old]	Estimate Post Estimate [New]	2005 USDA Official [Old]	Forecast Post Estimate [New]	
Market Year Begin	USDA Official [Old]	01/2003		01/2004		01/2005	MM/YYYY
Beginning Stocks	1	1	1	1	1	1	1 (1000 MT)
Production	3	0	3	0	0	0	0 (1000 MT)
Intra EC Imports	0	0	0	0	0	0	0 (1000 MT)
Total Imports	12	15	12	15	0	15	15 (1000 MT)
TOTAL Imports	12	15	12	15	0	15	15 (1000 MT)
TOTAL SUPPLY	16	16	16	16	1	16	16 (1000 MT)
Intra EC Exports	0	0	0	0	0	0	0 (1000 MT)
Total Exports	0	0	0	0	0	0	0 (1000 MT)
TOTAL Exports	0	0	0	0	0	0	0 (1000 MT)
Domestic Consumption	15	15	15	15	0	15	15 (1000 MT)
TOTAL Use	15	15	15	15	0	15	15 (1000 MT)
Ending Stocks	1	1	1	1	0	1	1 (1000 MT)
TOTAL DISTRIBUTION	16	16	16	16	0	16	16 (1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	0 (1000 MT)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	0 (1000 MT)

# Import Trade Matrix

**Country**    Algeria

**Commodity** Dairy, Butter

Time Period  Units:

Imports for:

U.S.  U.S.

Others Others

New Zealand	4306		
France	2630		
Belgium	2334		
Uruguay	1324		
Netherland	1448		
spain	1573		
Great Britain	559		
Ireland	456		

Total for Others 14630 0

Others not Listed

Grand Total 15327 0